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Dear  25X1A5a1

The attachment to this memorandum is in reply to a request recently made by Mr. A. W. Marshall of the Joint Disarmament Study Group (Coolidge Committee) that certain information be supplied to  in connection with its support of the Committee. 25X1A5a1

In accord with that request, the attachment is a brief, undocumented presentation at the Secret level of the dollar/ruble ratios employed by this Office in pricing the Soviet military effort. Explanatory notes are included where amplification seems warranted.

Please feel free to contact us further should there be any questions.

Sincerely,

Otto E. Guhr

Assistant Director

Attachment

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Dollar/Ruble Ratio 5/

Category	1955 Values	
	Dollars Per Ruble	Rubles Per Dollar
Personnel		
1. Pay and allowances		
a. Army, navy, air	0.53	(1.9)
b. Reservists	0.50	(2.0)
c. Civilians	0.50	(2.0)
d. Families	0.14	(7.4)
2. Subistence	0.13	(7.8)
3. Clothing	0.03	(4.4)
Equipment		
4. Aircraft	0.20	5.1
5. Armored combat vehicles (ACVs)	0.29	3.4
6. Artillery, other weapons	0.25	4.0
7. Ammunition	0.22	4.6
8. Trucks	0.22	4.5
9. Naval vessels	0.22	4.5
10. Ground radar, communications equipment	0.17	6.0
11. Guided missiles (GM)	0.19	5.4
12. Organizational equipment	0.20	4.9
Facilities (Construction)	0.16	(6.4)

a. See the general statement prefacing the appended Notes.

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**Expenditure/Income Ratio
(continued)**

<u>Category</u>	<u>Ratio</u>		<u>1975 Soviet Weights</u>
	<u>Expenditure Per Dollar</u>	<u>Income Per Dollar</u>	
<u>Operations and Maintenance</u>			
13. Maintenance of facilities	0.16	(6.4)	
14. Petroleum, oil and lubricants (POL)	0.07	(13.4)	
15. Maintenance of equipment			
Aircraft	0.20	(5.1)	
ACVs	0.23	(3.4)	
Weapons	0.25	(4.0)	
Ammunition	0.22	(4.6)	
Trucks	0.21	(4.3)	
Naval Vessels			
Alterations	0.23	(4.0)	
Spares	0.12	(3.2)	
Ground radar	0.17	(6.0)	
CM	0.19	(5.4)	
Organizational equipment	0.20	(4.9)	
16. Transportation	0.21	(4.3)	
17. Medical care	0.12	(3.0)	
18. Printing and publishing	0.17	(6.0)	
19. DMSAP	0.22	(5.0)	
<u>Research and Development</u>	0.20	(5.0)	
<u>Expenditure Ratio</u>	0.12	(3.0)	
Total	0.20	(4.9)	

Notes

In view of the fact that the process basic to the pricing of the Soviet military effort is oriented towards obtaining ruble and dollar valuations independently, wherever feasible -- i.e., by application of ruble and dollar information respectively to physical series -- the ratios are often relationships derived from, rather than being integral to, the results. The notes that follow are somewhat illustrative.

Personnel

1a. Determined by dividing the average pay for US service personnel in dollars by the corresponding average for Soviet military personnel. The ratios differ rather appreciably by service: Soviet ground force personnel average 3000 rubles in 1955; naval personnel 6000 rubles; air personnel 9000 rubles. Average US remuneration varies little by service.

Within services in the USSR there are also appreciable differences. Given the far greater pay of Soviet officers relative to other ranks than is the case for US officers, the use of officers in the Soviet forces where enlisted men are used in the US, the differing rank and grade structures for various units, etc. -- the ratios applicable to specific units within services can vary considerably from the over-all average.

1b. The same relationship as for civilians. See 1c. Soviet reservists on temporary duty (e.g., summer training) are paid by their usual places of employment at half their normal rates.

1c. The average remuneration of US employees of the DOD divided by the average remuneration of workers and employees in the USSR.

1d. The relationship between the average payment received by retired personnel in the US and the corresponding payment, as estimated, received by retired career personnel in the USSR.

2. The relationship between outlays per capita (for military personnel) in the two countries.

3. Same as for outlays. See 2., above.

Procurement

In general, the dollar figures employed are estimates of what the Soviet rubles would cost if produced in the US. Where suitable counterparts exist, their costs or prices have been employed.

Operations and Maintenance

15. Essentially operating expenses. The ratios are the same as those for procurement, in most instances.

Notes

(Continued)

Research and Development

The relationship between the costs of inputs -- i.e., labor and other.

Total

Over-all ratio for 1955; Soviet weights.